

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

**UNITED STATES SECURITIES
AND EXCHANGE COMMISSION,**

Plaintiff,

v.

JOHN J. WOODS, et al.,

Defendants.

Civil Action No.
1:21-cv-3413-SDG

**FIFTH APPLICATION FOR COMPENSATION TO
RAGSDALE, BEALS, SEIGLER, PATTERSON, & GRAY, LLP,
LOCAL COUNSEL TO THE RECEIVER**

A. Cotten Wright, the duly-appointed receiver (the “Receiver”) for Horizon Private Equity, III, LLC (“Horizon”) and certain assets of John J. Woods (“Woods”) in the above-captioned civil action (this “Case”), hereby submits this *Fifth Application for Compensation for Ragsdale, Beals, Seigler, Patterson & Gray, LLP, Local Counsel for the Receiver*, for the period of July 1, 2022 through September 30, 2022 (the “Application Period”), and respectfully represents as follows:

1. On August 20, 2021, the U.S. Securities and Exchange Commission (the “Plaintiff”) filed a *Complaint* (Doc. No. 1) against Woods, Horizon, and Livingston Group Asset Management Company alleging violations of the Securities Act of 1933, the Securities and Exchange Act of 1934, the Investment

Advisers Act of 1940, and various regulations promulgated thereunder, thereby initiating this Case. On September 1, 2021, the Court entered its *Order Appointing Receiver* (the “Receivership Order”), pursuant to which the Receiver was appointed to perform certain duties as set forth in that Order. (Doc. No. 26).¹

2. Pursuant to the Receivership Order, the Receiver is authorized to retain professionals, including attorneys, to assist in carrying out her duties as Receiver. (Doc. No. 26, pg. 6). This Court’s Local Civil Rules require an attorney who appears *pro hac vice* to designate local counsel who maintain an office in this District and are in good standing with the bar of this Court and the State Bar of Georgia. (Local Civil Rules, pg. CV-77).

3. On September 10, 2021, the Court entered an Order authorizing the Receiver to employ Ragsdale, Beals, Seigler, Patterson & Gray, LLP (“Ragsdale”) as local counsel for the Receiver and the Receivership estate.

4. Attached hereto as **Exhibit A** is documentation itemizing the fees and expenses incurred by Ragsdale in connection with its representation of the Receiver during the Application Period. The Receiver contends that Ragsdale has spent the following time in performing the services referred to herein as local counsel for the Receiver, and she is informed and believes that Ragsdale’s services

¹ The Receivership Order was amended on September 9, 2021 to correct certain typographical errors. (Doc. No. 53).

rendered are reasonably worth the sum as set forth below, and that Ragsdale should be allowed and paid said sum as fees and as a cost of this estate:

Professional	Hours	Rate	Total
W. Russell Patterson, Jr.	5.3	\$390	\$2,067.00
Lisa Boardman Burnette	7.8	\$265	\$2,067.00
Total:	10.4		\$4,134.00
Expenses			\$6.40
Total Fees & Expenses:			\$4,140.40

5. The Receiver respectfully submits that the services for which Ragsdale seeks compensation were necessary for, and beneficial to, the orderly administration of the Receivership Estate.

WHEREFORE, the Receiver prays that the Court will enter an Order allowing compensation of **\$4,134.00** and reimbursement of expenses of **\$6.40** to Ragsdale as local counsel for the Receiver; authorizing the payment of any allowed fees and expenses from the funds of the Receivership estate in accordance with the SEC Guidelines and Billing Instructions; and granting such further relief as is just and proper.

Dated this 19th day of October, 2022.

/s/ A. Cotten Wright

A. Cotten Wright (State Bar No. 28162)

Grier Wright Martinez, PA

521 E. Morehead St., Ste. 440

Charlotte, NC 28202

Phone: 704.375.3720

Fax: 704.332.0215

cwright@grierlaw.com

Attorneys for the Receiver

/s/ W. Russell Patterson, Jr.

W. Russell Patterson, Jr. Georgia Bar No. 566920

Ragsdale Beals Seigler Patterson & Gray, LLP

229 Peachtree St., NE, Suite 2400

Atlanta, GA 30303-1629

(404) 588-0500

wrpjr@rbspgr.com

Attorneys for the Receiver

Exhibit A – Summary of Prior Fee Applications

Exhibit B – Ragsdale Invoice for Application Period

Exhibit C – Receiver's Certification

Exhibit A – Summary of Prior Fee Applications

Document	Interim Fee Application Date and Doc. No.	Period Covered	Fees Requested/Allowed	Expenses Requested/Allowed	Order Approving Interim Application
1 st Interim	11/03/2021 Doc. No. 93	8/18/2021 – 9/30/2021	\$1,847.00	\$343.62	Doc. No. 103 12/2/2021
2 nd Interim	1/20/2022 Doc. No. 134	10/1/2021- 12/31/2021	\$2,698.00	\$42.10	Doc. No. 155 2/14/2022
3 rd Interim	4/22/2022 Doc. No. 191	1/1/2022- 3/31/2022	\$3,123.50	\$53.00	Doc. No. 209 5/13/2022
4 th Interim	7/25/2022 Doc. No. 245	4/1/2022- 6/30/2022	\$3,143.50	\$8.55	Doc. No. 271 8/18/2022

Exhibit B – Ragsdale’s Invoice for Application Period

Ragsdale, Beals, Seigler, Patterson & Gray LLP
 Tower 229 - Suite 2400
 229 Peachtree Street, NE
 Atlanta, GA 30303-1629

Invoice submitted to:

A. Cotten Wright, Receiver
 Horizon Private Equity III, LLC
 521 E Morehead St. Ste 440
 Charlotte, NC 28202

October 6, 2022

In Reference To: United States Securities & Exchange Commission v. John J.
 Woods et al. USDC ND GA CAFN 1:21-cv-3413-SDG

Invoice # 17522

Professional Services

		<u>Hours</u>	<u>Amount</u>
7/5/2022	WRP Review pleadings.	0.10	39.00
7/7/2022	WRP Review and revise 2nd quarter fees and follow up with Cotten Wright for further review (.2); Conference and correspondence with Lisa Burnette re Receiver's Report (.2)	0.40	156.00
7/8/2022	LBB Review Receiver's Quarterly Report & approve for filing.	0.50	132.50
7/15/2022	WRP Correspondence with Lisa Burnette re pleadings from Cotten Wright.	0.10	39.00
	LBB Review Amended Receiver's Final Accounting Report and approve.	0.20	53.00
7/19/2022	LBB Review Fee apps for filing.	0.30	79.50
7/20/2022	WRP Conference and correspondence with Lisa Burnette re Receiver's proposed distribution pleadings.	0.20	78.00
	LBB Review and edit Motion, memorandum of law and affidavit in re Investor Distribution Method.	0.60	159.00
7/21/2022	LBB Review Great Neck Fee App & approve for filing (.1); Review draft of pleadings in re sale of interests in BI entities & e-mail edits and identify issues for Receiver (1.9)	2.00	530.00
7/22/2022	LBB Review Motion to Pay Southport Capital and email edits to Receiver.	0.20	53.00
7/25/2022	LBB Review and approve Notice of Fee Apps (.1); Review and comment on pleadings in re Admin. Claims against Southport Capital (.4); Respond to A. Gorman e-mail re BI entity sales pleadings and issues therein (.1)	0.60	159.00

A. Cotten Wright, Receiver

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		<u>Hours</u>	<u>Amount</u>
7/26/2022	LBB Review pleadings in re payment of Southport sale expenses, edit and approve (.4); Review and approve Consent Order with Oppenheimer re discovery (.2)	0.60	159.00
7/27/2022	LBB Review and approve notices of motion filings.	0.20	53.00
7/28/2022	LBB Review proposed Order on Distribution Method and e-mail response to Receiver (.2); Review and approve Notice for Distribution to Southport claimants pleadings (.2); Respond to A. Gorman e-mail re background of BI III entity and joint venture (.2); Review and edit revised pleadings regarding sale of BI interests (.3)	0.90	238.50
7/29/2022	LBB Respond to A. Gorman e-mail and final review and approval of pleadings in re sale of BI interests.	0.40	106.00
8/1/2022	WRP Review correspondence on creditor's correspondence re docketing and pleadings re BI Developments (.1); Status conference with Lisa Burnette (.1)	0.20	78.00
8/11/2022	LBB Correspondence with Receiver's counsel and identify issues for Receiver	0.10	26.50
8/12/2022	LBB Review and approve pleadings in re allowance and distribution to Class 4 claims against Southport.	0.40	106.00
8/18/2022	LBB Review Motion and related pleadings re sale of Woods interest in Sampleworks and e-mail questions and comments to Receiver and counsel on issues	0.70	185.50
8/20/2022	WRP Conference with Lisa Burnette re pending issues (.2); Review pleadings/issues on claims procedures, BI Developments, and US Sampleworks (.3)	0.50	195.00
8/22/2022	WRP Short conference with Lisa Burnette re claims/notice - planning regarding pleadings review after 8-29.	0.10	39.00
	LBB Review Notice of Hearing on Motion for Distribution Method & approve for Receiver	0.10	26.50
8/23/2022	WRP Correspondence with Cotten and Lisa Burnette re 9-9 hearing, with Lisa re US Sampleworks.	0.10	39.00
8/30/2022	WRP Correspondence with Cotten Wright re John Henegar/Birchwood (.1); Review and correspondence re Confidentiality/Oppenheimer issues, BI Developments, Southport Class 4 and 5, and US Sampleworks (.6); Follow up with Cotten Wright on Southport (.1)	0.80	312.00
8/31/2022	WRP (From late evening 8-30) Review and revise Southport Class 5 (.6); On 8-31, follow up with Cotten Wright et al re Southport Class 5 and US Sampleworks (.2)	0.80	312.00

A. Cotten Wright, Receiver

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		<u>Hours</u>	<u>Amount</u>
9/2/2022	WRP Review proposed pleadings re Southport and BI Developments (.5); Planning conference with Cotten Wright (.2)	0.70	273.00
9/8/2022	WRP Review pleadings re Southport Class V and Disallowance on investors - follow up with Cotten Wright (.4); Correspondence with Cotten and Michael re Friday hearing (.1)	0.50	195.00
9/19/2022	WRP Review and revise pleadings on Claims Buyer/follow up with Cotten Wright.	0.60	234.00
9/20/2022	WRP Review and revise pleadings/follow up with Cotten.	0.20	78.00
	For professional services rendered	13.10	\$4,134.00
	Additional Charges :		
7/31/2022	Pacer Records Q2 2022		4.40
8/1/2022	Copies		2.00
	Total additional charges		\$6.40
	Total amount of this bill		\$4,140.40
	Previous balance		\$3,152.05
	Accounts receivable transactions		
8/24/2022	Payment - Check No. 160		(\$3,152.05)
	Total payments and adjustments		(\$3,152.05)
	Balance due		\$4,140.40

User Summary

<u>Name</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Lisa Boardman Burnette	7.80	265.00	\$2,067.00
W. Russell Patterson, Jr.	5.30	390.00	\$2,067.00

EXHIBIT C

Receiver's Certification

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

**UNITED STATES SECURITIES
AND EXCHANGE COMMISSION,**

Plaintiff,

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**RECEIVER’S CERTIFICATION IN SUPPORT OF FIFTH
APPLICATION FOR COMPENSATION TO
RAGSDALE, BEALS, SEIGLER, PATTERSON & GRAY, LLP,
LOCAL COUNSEL FOR THE RECEIVER**

A. Cotten Wright, the duly appointed Receiver in this case, hereby certifies as follows with respect to the *Fifth Application for Compensation to Ragsdale, Beals, Seigler, Patterson & Gray, LLP, Local Counsel for the Receiver* and the invoice attached thereto as Exhibit B:

1. This Certification is made in compliance with the Billing Instructions for Receivers in Civil Actions Commenced by the U.S. Securities and Exchange Commission (the “SEC Guidelines”).

2. I am an attorney licensed to practice law in the State of North Carolina and the United States District Court for the Western District of North Carolina. I am a member of the law firm of Grier Wright Martinez, PA (“GWM”).

3. I have read and am familiar with Ragsdale’s application for compensation and reimbursement of expenses for the period of July 1, 2022 through September 30, 2022 (the “Application”). To the best of my knowledge, information and belief formed after reasonable inquiry, the Application and all fees and expenses set forth therein are true and accurate and comply with the SEC Guidelines.

4. All fees contained in the Application are based on the rates listed in the Ragsdale’s fee schedule included in Exhibit B, and such fees are reasonable, necessary and commensurate with the skill and experience required for the activity performed.

5. Ragsdale has not included in the amount for which reimbursement is sought the amortization of the cost of any investment, equipment, or capital outlay in any request for expense reimbursement.

6. In seeking reimbursement for a service which Ragsdale justifiably purchased or contracted for from a third party (such as copying, imaging, bulk mail, messenger service, overnight courier, computerized research, or title and lien

searches), Ragsdale requests reimbursement only for the amount billed to Ragsdale by the third-party vendor and paid by Ragsdale to such vendor.

7. Ragsdale does not seek payment for time spent preparing the Application or any documentation in support of the same.

This is the 19th day of October, 2022.

/s/ A. Cotten Wright
A. Cotten Wright
Receiver